

PUBLIC DISCLOSURE

JUNE 2, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

HINGHAM INSTITUTION FOR SAVINGS

55 MAIN STREET
HINGHAM, MA 02043

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Hingham Institution for Savings** prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "SATISFACTORY."

Hingham Institution for Savings' rating of Satisfactory is based on the bank's performance as measured by the five performance criteria under the CRA regulation. With an average net loan to deposit ratio of 115.0 percent, the bank was determined to exceed the standards for satisfactory performance in this category. The ratio has steadily increased over the past eight quarters analyzed and peaked at 119.8 percent on March 31, 2000.

In regards to lending within its assessment area, the bank is considered to meet the standards of satisfactory performance since the majority of loans are originated within its assessment area. Lending to borrowers of different income levels and businesses of different sizes is considered to exceed satisfactory performance. Market share reports indicate that the bank is ranked fifth in lending to low and moderate-income individuals out of 357 lending institutions that have originated and/or purchased HMDA-reportable loans within the assessment area. The bank is also determined to have a reasonable dispersion of credit among the assessment area's middle and upper-income census tracts

There have been no CRA- related complaints received since the previous examination. Finally, the bank's Fair Lending performance is considered satisfactory

PERFORMANCE CONTEXT

Description of Institution

Hingham Institution for Savings is a state-chartered, stock owned bank, which was founded in 1834. Headquartered in downtown Hingham, the bank operates five other full service offices located throughout its assessment area. The main office with an attached loan center; and one branch office are located in Hingham. The remaining four branch locations include Hull, Cohasset, Scituate and Weymouth. All full service offices offer Automated Teller Machines (ATMs). In addition to these offices, the bank operates three off-site ATMs and one drive-up window that are all located in Hingham. Hours of operation are considered convenient and accessible to the bank's customers.

As of March 31, 2000, the bank had total assets of approximately \$303 million, of which approximately 80.4 percent were in the form of loans. A wide range of loan products is available from the bank including first time homebuyer products and the MHFA septic repair loan program. Residential mortgage loans secured by one-to-four family dwellings represent the highest concentration in the loan portfolio at 55.2 percent. Loans secured by commercial real estate also comprise a significant amount of the total portfolio with 26.4 percent, followed by multi-family dwellings (five or more units) with 15.3 percent, and construction and land development with 2.3 percent. Consumer, commercial and other loans account for the remainder of the portfolio.

This institution was last examined for compliance with the Community Reinvestment Act by the FDIC on January 4, 1999. That examination resulted in a rating of Satisfactory.

Description of Assessment Area

The Community Reinvestment Act requires a financial institution to identify an assessment area in which it focuses its lending efforts. Hingham Institution for Savings' assessment area consists of the seven towns of Cohasset, Hanover, Hingham, Hull, Norwell, Scituate, and Weymouth. The towns of Cohasset and Weymouth are located in Norfolk County while the remaining four towns are located in Plymouth County. The entire assessment area is located within the Boston Metropolitan Statistical Area (MSA). The Boston MSA has an estimated median family income of \$62,700 for 1999 and \$65,500 for 2000, which is adjusted for inflation by the Department of Housing and Urban Development (HUD).

The assessment area is comprised of 24 census tracts. Census tracts are defined as either low, moderate, middle or upper-income based on median Family Household Income (FHI) within the census tract. The census tracts include 14 middle-income tracts (58.3 percent) and 10 upper-income tracts (41.7 percent). There are no low-income or moderate-income census tracts within the bank's assessment area. According to 1990 U.S. Census data, the weighted average median family income for the assessment area is \$56,328, which far exceeds that of the Boston MSA, which was \$48,688.

Housing stock within the assessment area is primarily one-to-four family residential units (81.9 percent), of which a majority are owner-occupied (68.6 percent). Based on data derived from the 1990 Census, the population of the assessment area totaled 129,402 individuals. Refer to the following table for assessment area demographics:

ASSESSMENT AREA DEMOGRAPHICS				
CENSUS TRACT INCOME LEVEL	# OF CENSUS TRACTS	CENSUS TRACT PERCENTAGE	# FAMILY HOUSEHOLDS	MEDIAN HOUSING VALUE
MIDDLE	14	58.3	20,429	\$162,906
UPPER	10	41.7	14,127	\$229,967
TOTAL	24	100.0	34,556	

Source: 1990 Census Data

The bank's assessment area is an affluent residential area that, in spite of developments in recent years, still maintains much of its former rural character. However, today's residents tend to be professionals, either with area companies or in the City of Boston. The development of the former Hingham Shipyard is expected to further expand the use and access to the harbor where boat transportation to and from the City of Boston is available.

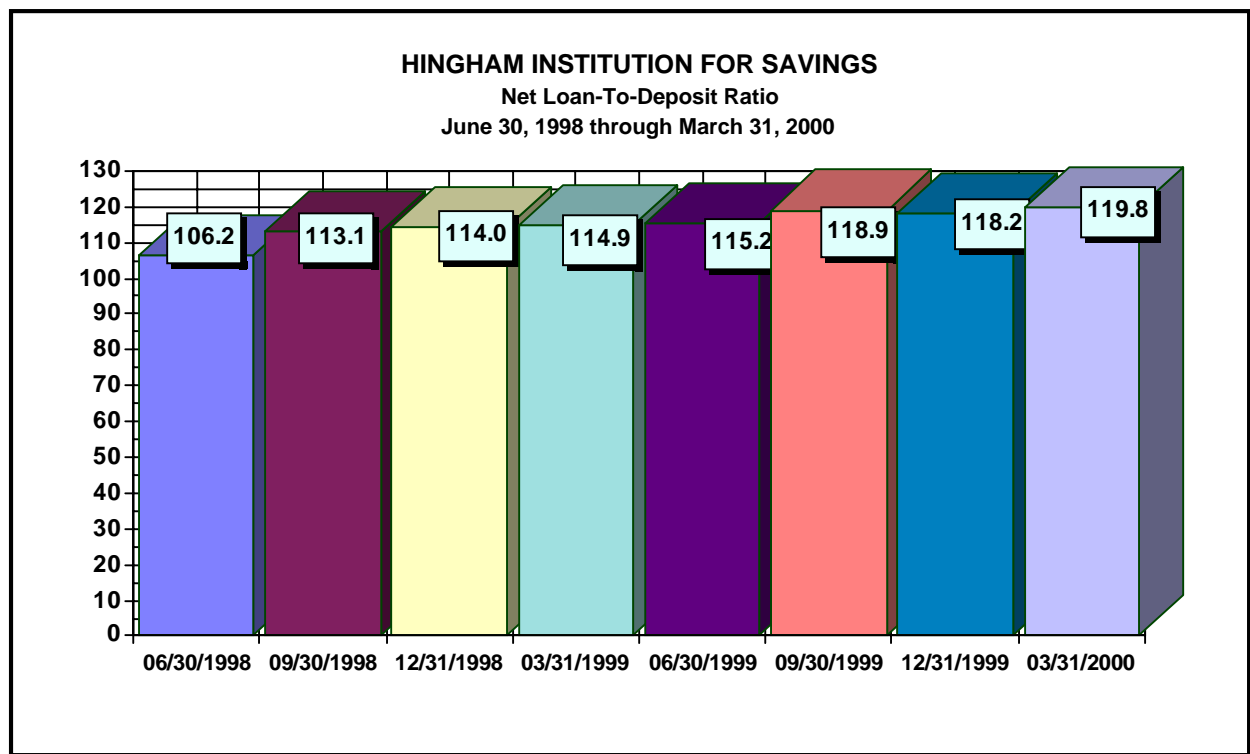
Aggregate data, for lending performance purposes only, consists of 357 (both large and small) mortgage companies, savings banks, commercial banks, cooperative banks, and credit unions, which have originated and/or purchased residential mortgage and/or home improvement loans within the bank's assessment area in 1998. PCI Services, Inc., CRA WIZ Software was used to generate this information.

In addition, market share reports generated by Bankers & Tradesman were also used for year-end 1999 information.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

A comparative analysis of Hingham Institution for Savings quarterly net loan-to-deposit ratio was conducted during this examination. The analysis utilized the previous eight quarters of the Federal Financial Institutions Examination Council (FFIEC) Call Report data for this institution. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The bank's average net loan-to-deposit ratio for the period June 30, 1998 through March 31, 2000, is 115.0 percent, and is considered to exceed the standards of satisfactory performance. As of March 31, 2000, the bank's net loan to deposit ratio was 119.8 percent and is the highest ratio for the eight quarters under review. The lowest ratio of 106.2 percent was reported in June 30, 1998. Detailed below is the net loan to deposit ratio for each quarter.



The asset size of the institution has increased substantially over the past eight quarters. The bank has grown from approximately \$239 million as of June 30, 1998, to its current level of \$303 million (a growth rate of approximately 27 percent). Loan growth has significantly outpaced deposit growth over this period of time resulting in an increase of the loan to deposit and loan to asset ratios. As evidenced above, loan growth has increased approximately 33.0 percent from June 30, 1998, to March 31, 2000. Deposit growth has increased approximately 18.1 percent for this same time period. Management attributed the increase in deposit growth, in part, to the consolidations of local financial institutions, which in turn has resulted in new depositors, as well as new loan customers, to the bank.

In order for Hingham Institution for Savings to fund its lending activity, management has utilized Federal Home Loan Bank advances to offset the lower amount of deposits. This approach enables the bank to aggressively grant loans rather than provide its competitors the opportunity to make these loans.

The net loan-to-deposit ratio is more than reasonable given the institution's size, financial condition and assessment area credit needs. Thus, the bank exceeds the standards for satisfactory performance for this criterion.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

An analysis of lending inside the institution's assessment area was performed by reviewing the 1999 and year to date May 31, 2000, Home Mortgage Disclosure Loan Application Registers (LAR). Residential loan originations were sorted by census tract and assigned to the appropriate city or town. During this period, the bank originated 329 loans totaling \$72,000,000, of which 175 (53.2 percent of the number) totaling \$32,632,000 (45.3 percent of the dollar) were within the bank's assessment area. The majority of HMDA-reportable loans originated inside of the assessment area were refinances of home mortgages (63.4 percent), while 34.3 percent were home purchases. The remaining 2.3 percent were multi-family and home improvement loans.

The following tables depict the distribution of HMDA related loan originations by number and dollar amount, inside and outside the bank's assessment area.

LOANS BY NUMBER OF ORIGINATIONS

	1999		Y-T-D 2000		TOTALS	
LOCATION	#	%	#	%	#	%
HINGHAM	48	18.8	8	10.8	56	17.0
WEYMOUTH	28	11.0	6	8.1	34	10.4
HULL	29	11.4	3	4.1	32	9.7
COHASSET	19	7.5	6	8.1	25	7.6
SCITUATE	10	3.9	3	4.1	13	4.0
NORWELL	9	3.5	2	2.7	11	3.3
HANOVER	4	1.6	0	0.0	4	1.2
INSIDE ASSESSMENT AREA	147	57.7	28	37.9	175	53.2
OUTSIDE ASSESSMENT AREA	108	42.3	46	62.1	154	46.8
TOTALS	255	100.0	74	100.0	329	100.0

Source: 1999 and Y-T-D May 31, 2000 HMDA/LAR.

LOANS BY DOLLAR AMOUNT AT ORIGINATIONS

	1999		Y-T-D 2000		TOTALS	
LOCATION	\$	%	\$	%	\$	%
HINGHAM	9,007	17.9	2,790	13.0	11,797	16.4
WEYMOUTH	3,282	6.5	686	3.2	3,968	5.5
HULL	3,496	6.9	477	2.2	3,973	5.5
COHASSET	5,596	11.1	1,564	7.3	7,160	9.9
SCITUATE	1,699	3.4	500	2.3	2,199	3.0
NORWELL	2,295	4.5	334	1.5	2,629	3.7
HANOVER	906	1.8	0	0.0	906	1.3
INSIDE ASSESSMENT AREA	26,281	52.1	6,351	29.5	32,632	45.3
OUTSIDE ASSESSMENT AREA	24,179	47.9	15,189	70.5	39,368	54.7
TOTALS	50,460	100.0	21,540	100.0	72,000	100.0

Source: 1999 and Y-T-D May 31, 2000 HMDA/LAR.

According to a market share report generated by PCI Services, Inc. CRA Wiz, the bank ranked 13th out of 357 lending institutions in originating HMDA reportable loans within the assessment area during 1998. The lenders ranked above Hingham Institution for

Savings in originating HMDA reportable loans were eight large national mortgage companies and four much larger financial institutions.

Management also utilizes Bankers & Tradesmen reports to track market shares and to determine avenues for improvement. In 1999, Hingham Institution for Savings was ranked fourth for all mortgages in its entire assessment area.

In addition to HMDA-reportable residential loans, management requested that examiners consider commercial real estate loans not included in residential loans reviewed above; and including construction loans, commercial real estate loans under \$1 million dollars; and commercial real estate loans over \$1 million. This review indicated that Hingham Institution for Savings originated a total of 95 commercial real estate loans totaling \$35,426,000. Of these loans, 42 or 44.2 percent were originated inside the assessment area, with a total dollar amount of \$13,716,000. Loans within the assessment area were categorized as follows: 8 construction loans for a total of \$3,147,000; 32 small business/commercial real estate loans for a total amount of \$8,069,000 and 2 large commercial real estate loans over \$1 million for a total amount of \$2,500,000.

As indicated above, 53.2 percent of residential mortgage originations were inside the bank's assessment area. In addition, 44.2 percent of all commercial loans were made within the assessment area. Considering both factors, the level of loans is adequate in meeting the standards for satisfactory performance for this criterion.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis of HMDA reportable loan originations extended within the institution's assessment area, among various borrower income levels, was conducted. Originations were categorized by the ratio of the applicant's reported income to the 1999 and 2000 median family incomes of the Boston Metropolitan Statistical Area (MSA), which are \$62,700 and \$65,500, respectively. These income figures are based on estimated 1999 and 2000 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income level for the MSA. Middle income is defined as income between 80 and 119 percent of the median family income level for the MSA. Upper income is defined as income greater than 120 percent of the median family income level for the MSA.

The following table details the bank's HMDA-reportable loan originations by the income of the borrower.

LOAN ORIGINATIONS BY INCOME OF BORROWER

% OF MEDIAN MSA INCOME	1999	Y-T-D 2000	TOTAL
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	#	%	#	%	#	%
<50%	4	2.7	1	3.6	5	2.9
50% - 79%	25	17.0	4	14.3	29	16.6
80% - 119%	33	22.5	3	10.7	36	20.5
120% >	82	55.8	20	71.4	102	58.3
N/A	3	2.0	0	0.0	3	1.7
TOTAL	147	100.0	28	100.0	175	100.0

Source: HMDA Data & PCI Services, Inc. CRA WIZ

A review of the distribution of credit to borrowers of various incomes reflects an excellent penetration among individuals of different income levels, when comparing the income level of borrowers to the demographics of the assessment area, including those of low and moderate-income. As the above data indicates a total of 19.5 percent of all loans were made to low to moderate-income borrowers over the two-year period reviewed. The bank has maintained a consistent profile of borrowers over this time period.

A review of 1998 aggregate data ranked the bank fifth in market share for low and moderate-income originations or purchased loans within the assessment area, with a 2.8 percent market share. It is important to note that the bank's ranking of fifth in market share to low and moderate-income borrowers is in stark contrast to its overall market share and ranking of thirteenth in Performance Criteria II.

In addition, Hingham Institution for Savings small business/commercial real estate loans were categorized by loan amount at origination. The following table depicts the distribution of loans by dollar amount category:

SMALL BUSINESS/COMMERCIAL LOANS

LOAN SIZE	1999		Y-T-D 2000		TOTAL	
	#	%	#	%	#	%
<=\$100K	1	4.8	1	9.0	2	6.2
>\$100K<\$250K	7	33.3	5	45.5	12	37.5
>\$250K	13	61.9	5	45.5	18	56.3
TOTAL	21	100.0	11	100.0	32	100.0

Source: HMDA Data & PCI Services, Inc. CRA WIZ

As the above table demonstrates, the majority of small business loans were for amounts greater than \$250,000, followed by loans in the \$100,000-\$250,000 range.

Given all of the above, particularly the bank's dispersion of residential loans to low and moderate-income borrowers; its market share of residential loans and the distribution of small commercial real estate loans, Hingham Institution for Savings was determined to have exceeded the standards for satisfactory performance under this criteria.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

An analysis of HMDA reportable loans extended within the various census tracts contained in the bank's assessment area was conducted during the examination. The bank's assessment area is comprised of 24 census tracts. Of these census tracts, 14 are designated as middle-income and 10 as upper-income. The bank's assessment area does not contain any low or moderate-income census tracts.

The following table shows the geographic distribution of loan originations for the period covered.

ORIGINATIONS BY CENSUS TRACT

CENSUS TRACT	1999		Y-T-D 2000		TOTAL	
	#	%	#	%	#	%
MIDDLE	81	55.1	11	39.3	92	52.6
UPPER	66	44.9	17	60.7	83	47.4
TOTAL	147	100.0	28	100.0	175	100.0

Source: HMDA/LAR Data & PCI Services, Inc. CRA WIZ

As the above table suggests, there is an almost even distribution of loans among middle and upper-income census tracts. Based upon the analysis of the geographic distribution of loans, the bank meets the standards of satisfactory performance in generating originations from all segments of its assessment area.

5. REVIEW OF COMPLAINTS

A thorough review of the public comment file revealed that the bank received no complaints pertaining to the institution's CRA performance since the previous examination.

FAIR LENDING POLICIES AND PRACTICES

Hingham Institution for Savings does not have a written Fair Lending Policy; however, it does maintain policies that address the Equal Credit Opportunity Act (Regulation B), the Fair Housing Act, and the Home Mortgage Disclosure Act (Regulation C). Detailed below is the bank's fair lending performance as it relates to the guidelines established by the Division of Bank's Regulatory Bulletin 2.3-101.

STAFF TRAINING

The bank subscribes to monthly training tapes provided by Bankers Training & Consulting Co. These tapes are circulated among the staff. All fair lending videotapes are viewed by each loan officer and are discussed between management and staff.

STAFF COMPOSITION AND COMPENSATION

As of June 2000, Hingham Institution for Savings staff consisted of 60 full-time and 24 part-time employees. Four employees and one director are fluent in foreign languages. These languages consist of Chinese, Italian, Japanese, Polish and Spanish.

Bank personnel responsible for loan originations are not compensated on a commission basis. Therefore, they are not encouraged to originate large dollar loans at the expense of originating smaller loans that may be in a low and moderate-income area or to lower income individuals.

OUTREACH

The bank ascertains the needs of its assessment area by participating in numerous community organizations. The bank is an active member of the Plymouth County Board of Realtors, the South Shore Board of Realtors as well as the South Shore Chamber of Commerce. The President serves as Chairman of the Hingham Business Council and bank officers serve in varying capacities in the Hingham Square Merchants Association, and the Cohasset, Hull, and Scituate Chambers of Commerce. Directors are also active in a variety of professional and civic organizations. Some of these organizations include social service groups, organizations for the revitalization of business districts, and various educational institutions. The directors are also lecturers for first-time homebuyers courses and lecturers at the Consumer Credit Counseling Service.

Hingham Institution for Savings also hosts an annual reception for residential and commercial real estate brokers, which provides a forum to discuss the bank's products and their perception of local needs. Last years event was conducted in October of 1999 and was attended by over 60 brokers. The bank also staffs a booth at both the Boston Home Show and a similar local event for the purpose of discussing credit needs for home improvements.

CREDIT PRODUCTS AND UNDERWRITING STANDARDS

To help address the credit needs of low and moderate-income individuals and families, Hingham Institution for Savings offers three different programs under the bank's first time homebuyer plan. All of the programs include no application fees (credit, appraisal, flood) no points, low downpayment (5%), and reduced attorney fees. Eligible applicants' income cannot exceed 115% of the HUD median family household income. In 1999, 17 first time homebuyer loans were originated totaling \$1,901,400. In year-to-date May 31, 2000 the bank granted 9 first time homebuyer loans totaling \$1,315,760.

Hingham Institution for Savings participates in the Homeowner Septic Repair Loan Program, sponsored by the Department of Environmental Protection (DEP) and the Massachusetts Housing Finance Agency (MHFA). The Loan Program assists individuals who may not be able to afford such septic repairs under standard home improvement loan programs. The Loan Program helps to stabilize neighborhoods and communities that might otherwise fall into disrepair or neglect from owners who cannot sell their properties. The Loan Program also helps the environment by replacing aging or malfunctioning septic systems that pollute water supply. In 1999, the bank granted 2 loans under the MHFA Septic Repair Loan Program totaling \$32,000. No loans have been granted in year-to-date 2000 under this program.

MARKETING

Marketing efforts appear to adequately inform all segments of the bank's assessment area of the products and services offered by the Hingham Institution for Savings. Newspaper advertising is the bank's primary marketing vehicle. Periodicals utilized include the Patriot Ledger, a daily newspaper distributed throughout the South Shore, and weekly local town newspapers for the towns of Weymouth, Hingham, Cohasset, Scituate and Hull. MediaOne Cable advertising is utilized on a monthly basis.

CREDIT EDUCATION

The bank participates as an exhibitor in the annual Plymouth County Board of Realtors Home Buyer Education Fair. In addition, loan personnel are available to customers on an individual basis to explain the loan process.

COUNSELLING

Loan personnel provide counseling services to delinquent customers and assist them in working out their credit problems. Management refers customers who are in need of further credit counseling to the Consumer Credit Counseling Service (CCCS).

SECOND REVIEW PRACTICES

The Vice President of Retail Lending submits all recommendations for loan denials to the President or Senior Loan Officer for a final decision.

INTERNAL CONTROL PROCEDURES

The bank's Community Interaction Committee reviews the bank's geographic distribution of loans and deposits by ZIP Code on a quarterly basis. The committee also monitors market share data through information provided by Banker & Tradesman. In addition, the number of denied and withdrawn loans is tracked along with the reasons for denial.

The bank also employs an outside auditor to ensure Hingham Institution for Savings technical compliance with the Community Reinvestment Act (CRA).

MINORITY APPLICATION FLOW

A review of HMDA reportable loan applications was conducted in order to determine the number of applications the bank received from minorities throughout the assessment area. In 1999 and year-to-date May 31, 2000, the bank received 214 HMDA reportable loan applications from within its assessment area. During this period, 13 applications or 6.1 percent were received from minorities. Refer to the following table for further details.

APPLICATION FLOW

Race	1999		2000*		Total	
	#	%	#	%	#	%
American Indian	0	0.0	0	0.0	0	0.0
Asian	3	1.7	0	0.0	3	1.4
Black	0	0.0	0	0.0	0	0.0
Hispanic	2	1.1	1	2.8	3	1.4
Joint Race	5	2.8	1	2.8	6	2.8
Other	0	0.0	1	2.8	1	0.5
Total Minority	10	5.6	3	8.4	13	6.1
White	168	94.4	33	91.6	201	93.9
No Information	0	0.0	0	0.0	0	0.0
Total	178	100.0	36	100.0	214	100.0

SOURCE: 1999 & * year-to-date May 31, 2000 HMDA/LARs

According to 1990 Census Data, the bank's assessment area contained a total population of 129,402 individuals, of whom 2.4 percent are minorities. The minority population is 0.1

percent American Indian, 0.8 percent Asian, 0.5 percent Black, 0.7 percent Hispanic and 0.3 percent other.

The bank's minority application flow was compared with the racial make-up of the assessment area and 1998 aggregate data for all other HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow. Although 1998 was not used in the analysis, this is the latest information available through CRA Wiz.

Aggregate information indicated that, of the 13,496 HMDA reportable applications received by other institutions within the assessment area in 1998, 2.5 percent were from minorities: 0.2 percent from American Indians, 0.5 percent from Asians, 0.3 percent from Blacks, 0.3 percent from Hispanics, 0.8 percent Joint Race, and 0.4 percent from Other individuals. Information pertaining to lending to minorities for Hingham Institution for Savings during 1998 indicated that the bank originated 2.1 percent of its loans within the assessment area to minority applicants. It should also be noted that Hingham Institution for Savings originated 4 of the 5 (80 percent) minority applications received during 1998. By comparison, all other lenders throughout the assessment area originated 76.8 percent of the minority applications received during 1998.

Hingham Institution for Savings' minority application flow appears to be consistent with the aggregate.

In addition to the five performance criteria discussed above, consideration was also given to the bank's performance in regards to qualified investments and services.

QUALIFIED INVESTMENTS

As defined under the revised CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments, not just those made since the previous CRA examination.

The bank's qualified investments during 1999 and year-to-date June 27, 2000 consisted entirely of monetary contributions to charitable organizations that assist low and moderate-income individuals within the bank's assessment area. Circumstances that limit investment opportunities within the assessment area were also taken into consideration when evaluating the bank's performance under the Investment Test.

Hingham Institution for Savings has granted CRA contributions of approximately \$5,300 over the past two years. Contributions were granted to the following charitable organizations: Project Bread, South Shore Education Collaborative, Hingham Housing Authority, Brockton Family & Community Resources, South Shore YMCA, and Social Service League of Cohasset.

The investments described above benefit the community and low and moderate-income individuals and provides additional support to the overall rating.

SERVICES

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

Hingham Institution for Savings' systems for delivering retail-banking services are readily accessible to geographies and individuals of different income levels within its assessment area, specifically, its low cost checking and savings accounts as well as the convenience of its automated telephone banking system and the bank-by-mail service.

Distribution of Branches

Hingham Institution for Savings is headquartered in the center of downtown Hingham at 55 Main Street, which is designated as an upper-income census tract. In addition to its main office, Hingham Institution for Savings operates five full-service branch offices located throughout its assessment area, a loan and administrative office located in downtown Hingham and a remote drive-up window located in Hingham. Two locations are located in middle-income census tracts while the remaining locations are in upper-income census tracts.

Record of Opening and Closing Branches

No offices have closed since the previous examination; however, on February 25, 1999, Hingham Institution for Savings opened a branch office located at 32 Pleasant Street in South Weymouth, a middle-income census tract.

Alternative Banking Services

The bank's services and hours of operation compare favorably to those of competing institutions and afford accessibility to all segments of the bank's assessment area. All of the full service offices offer extended hours during the week and are equipped with 24 hour Automated Teller Machines (ATMs) that are linked to the CIRRUS, NYCE, and CASHSTREAM networks. Three of the office locations offer drive-up window service.

Hingham Institution for Savings is also a member of the SUM Program, a surcharge-free alliance of several financial institutions including over 1,000 ATMs throughout Massachusetts. The bank's customers can avoid ATM surcharging by conducting business at alliance members' ATMs bearing the SUM logo.

Hingham Institution for Savings offers the MasterMoney Card. This debit card performs all of the same functions as an ATM card with the added capacity of a MasterCard. There is no fee charged to customers who use the debit card.

The bank offers customers 24-hour account access through its automated telephone banking system known as TeleBank 24. By utilizing TeleBank 24, customers can access their accounts, obtain balance inquiries, place a stop payment on a check, transfer funds from one account to another, obtain current interest rate information, make loan payments on a current loan or mortgage account, reorder checks and more.

Bank by mail service is also provided to all of its customers and prospective customers.

Other Services

Other banking services that Hingham Institution for Savings offers include the following:

As a participant in Massachusetts Community and Banking Council's (MCBC) Basic Banking Program, Hingham Institution for Savings offers low cost savings and checking accounts to all segments of its assessment area, including those with modest incomes.

The bank cashes checks to WIC recipients who are non-customers with proper identification.

Hingham Institution for Savings also maintains a website at www.hinghamsavings.com. Customers and potential customers can obtain general bank information such as bank hours, branch locations, available products and services, etc through the website. Interested consumers can request additional information or applications by e-mailing the bank through its web site.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

HINGHAM INSTITUTION FOR SAVINGS

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JUNE 2, 2000**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.